

# Institutional Financing Options For Renewable Energy Systems

## CALIFORNIA ENERGY COMMISSION

Renewable Energy Program  
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**Renewable Energy**  
**-The Power of Choice-**

STATE OF CALIFORNIA

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For information on  
renewable energy  
options and incentives  
in California

Energy Commission  
Website  
[www.consumerenergycenter.org](http://www.consumerenergycenter.org)

Energy Commission  
Call Center  
1-800-555-7794



## Future Energy Investments

Are you interested in reducing your energy costs by using renewable energy, but do not have the capital to afford the equipment? This fact sheet highlights the various loan programs currently available.

### Loan Program Basics

Loan products can be divided into two categories — secured and unsecured. As a general rule, unsecured loans have shorter terms (up to 36 months) and relatively high interest rates. Secured loans

generally have longer terms and relatively lower interest rates, with the rate and term dependent upon the strength of the collateral. Similar real property secured loans are available to some institutions and have access to tax-exempt bond funds for the construction of new facilities and modernizations.

Subsidized and loan guaranty programs are available from certain lenders providing a range of lending products. Generally these loans are offered with a 'guaranty' by a state or federal agency to secure the loan.

### Institutional Resources

On the reverse, you will find a list of lenders that offer attractive financing solutions. This fact sheet details a variety of financial loan products targeted directly at investments in renewable energy. To find out more about specific financing options, log onto the web addresses detailed for the particular lender you are interested in, or use the contact telephone numbers listed. Please visit the Energy Commission's website or call the Energy Call Center (see left) for information on renewable energy options and incentives in California.

### LOAN EXAMPLES (\$27,500)

Term and Rate	5 years @ 5%	10 years @ 6%	15 years @ 7%
Monthly Payment	\$519	\$305	\$247

A school in Concord with an annual electricity bill of \$12,000 is considering the purchase of a 5 KW photovoltaic (PV) system with an installed cost of \$50,000. After receiving the Energy Commission "rebate" of \$22,500 the net cost of the system would be \$27,500. Savings in year one from PV electricity production at their current utility rates is projected to be \$1,459. If they finance the net cost of the system of \$27,500 with a 15 year tax-exempt lease at 6% interest it would result in an annual payment of \$2,966. For this example, the simple payback term for this system would be 18.8 years. If electricity rates continue to rise the payback time would be shorter. If you would like to evaluate the savings for your situation, use the Clean Power Estimator found at the Energy Commission website (see left).

**Assumptions:** Annual electricity production from the PV system in Concord is estimated to be 9,131 kWh. The annual electricity used was 70,076 kWh. The current utility rates for this example range from about \$.14 to \$.23 per kWh. There are no tax savings for non-profit and government entities that are exempt from income taxes.

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## Unsecured Loans

Loan Program	Contact	Loan Amount	Term	Interest Rate
Public Sector Loans	Academic Capital <a href="http://www.academiccapital.com">www.academiccapital.com</a> tel: 800.589.4532	No limit	Up to 20 yrs	Below prime
Public Sector Loans	Credit America <a href="http://www.creditamericafunding.com">www.creditamericafunding.com</a> tel: 800.422.9977	No limit	Up to 20 yrs	Below prime
Public Sector Loans	GE Capital <a href="http://www.gecapital.com">www.gecapital.com</a> tel: 800.460.5442	No limit	Up to 20 yrs	Below prime
Loans for Energy Efficiency	California Energy Commission <a href="http://www.energy.ca.gov">www.energy.ca.gov</a> tel: 800.555.7794	\$2 mil max	Life of equipment	Fixed

## Equipment Secured Loans

Calease	California Communities <a href="http://www.cacommunities.com">www.cacommunities.com</a> tel: 800.635.3993	Varies	Varies	Below prime
Energy Efficiency Improvement Loan Program	Safe-Bidco <a href="http://www.safe-bidco.com">www.safe-bidco.com</a> tel: 818.552.3210	\$250,000 max up to 10 yrs savings	5 yrs	5.00%
GS\$Mart	California Department of General Services <a href="http://www.dgs.ca.gov/pd">www.dgs.ca.gov/pd</a> tel: 916.327.5573	Equip value	1 to 10 yrs	Fixed
Public Sector Lease	Academic Capital (as above)	90% value	Life of equipment	Prime or below
Public Sector Lease	Credit America (as above)	90% value	Life of equipment	Prime or below
Public Sector Lease	GE Capital (as above)	90% value	Life of equipment	Prime or below
Public Sector Lease	Rural Alliance, Inc. <a href="http://www.rcrcnet.org">www.rcrcnet.org</a> tel: 916.447.4806	No limit	3 to 15 yrs	5.2% to 6.1%

## Real Estate Secured Loans

Collateral Mortgages	Collateral Mortgage, Ltd. <a href="http://www.collateral.com">www.collateral.com</a> tel: 205.978.1840	\$500,000 +	up to 25 years	Market
REDIP	CA Trade and Commerce Agency <a href="http://commerce.ca.gov/business/small">http://commerce.ca.gov/business/small</a> tel: 916.322.1275	\$1 mil	15 to 20 yrs	6.50%
State Revolving Fund	California Infrastructure & Economic Development Bank tel: 916.322.1398	Project based	up to 30 years	Market

## Subsidized Loans

CA School Finance Authority Smart Bonds Program	California School Finance Authority tel: 916.653.4156 or 213.620.4467	No limit	5 to 25 yrs	Prime or below
EEFP	California Energy Commission (as above)	\$2 mil max	7 yrs	5%
Energy Assessment Revenue Bond program	California Department of General Services (as above)	Project based	< 8 yrs	6%
Rural Utility Service	USDA Rural Utility Service <a href="http://www.rurdev.usda.gov/rd/">www.rurdev.usda.gov/rd/</a> tel: 530.792.5800	\$500,000-\$5 mil	Negotiated	Fixed or variable
Small Business and Non Profit Energy Efficient Improvement	Safe-Bidco <a href="http://www.safe-bidco.com">www.safe-bidco.com</a> tel: 800.273.8637	Varies	5 yrs	5%
Utility Loan	Sacramento Municipal Utility District (SMUD) <a href="http://www.smud.org">www.smud.org</a> tel: 888.742.7683	No limit	10 yrs max	8.7 to 10.5%
CAEATFA	California Alternative Energy and Advanced Transportation Financing Authority tel: 213.620.4467	Tax-exempt revenue bonds \$3 mil avg	Up to 25 yrs	Below prime

## Guaranty Loans

Community Facility Loan	Rural Community Assistance Corporation <a href="http://www.rcac.org">www.rcac.org</a> tel: 916.447.2854	\$2.5 mil max	up to 25 yrs	5.50%
ESCO	California Department of General Services (as above)	N/A	5 to 15 yrs	N/A
Rural Housing Service	USDA Rural Housing Service (as above)	\$100,000-\$2 mil	30 yrs	Fixed & Variable
Water / Wastewater Treatment Loan	Rural Community Assistance Corp (as above)	\$2.5 mil max	up to 25 yrs	5.50%

## Third Party Loans

ESCO	California Department of General Services (as above)	No limit	5 to 15 yrs	Share of savings
Energy Purchase Agreement	World Energy Services Technologies Tel: 619.696.0978	No limit	No limit	Discount prices
ESPCO and Super ESPCO	Federal Energy Management Program (FEMP) <a href="http://www.eren.doe.gov/femp/financealt.html">www.eren.doe.gov/femp/financealt.html</a> tel: 800.353.3732	No limit	5 to 15 yrs	Share of savings

The California Energy Commission does not endorse any one lending organization. Eligibility varies for each financing option. Availability of financing options may vary. Contact individual provider for more information.